



中國油氣控股有限公司 SINO OIL AND GAS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

Stock Code 股份代號: 702

Interim Report
中期報告
2019



DIRECTORS

Executive Directors

Dr. Dai Xiaobing (*Chairman*)
Mr. King Hap Lee (*Chief Executive Officer*)
Mr. Wan Tze Fan Terence

Non-executive Directors

Mr. Chen Hua
Mr. Huang Shaowu
Mr. He Lin Feng (resigned on 30 March 2019)
Ms. Chai Lin

Independent Non-executive Directors

Professor Wong Lung Tak Patrick
Dr. Wang Yanbin
Dr. Dang Weihua

COMPANY SECRETARY

Ms. Yim Siu Hung

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 1201-1202, 12/F.
Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

REGISTERED OFFICE

Clarendon House, 2 Church Street
Hamilton HM11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F., Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

董事

執行董事

戴小兵博士(主席)
景哈利先生(行政總裁)
溫子勳先生

非執行董事

陳華先生
黃紹武先生
何林峰先生(於2019年3月30日辭任)
柴琳女士

獨立非執行董事

黃龍德教授
王延斌博士
黨偉華博士

董事會秘書

嚴筱虹女士

總辦事處及主要營業地點

香港
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註冊辦事處

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Hamilton HM11
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香港股份過戶登記分處

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主要股份過戶登記處

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HONG KONG LEGAL ADVISOR

Michael Li & Co.
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39 Queen's Road Central, Central, Hong Kong

香港法律顧問

李智聰律師事務所
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BERMUDA LEGAL ADVISOR

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百慕達法律顧問

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AUDITOR

BDO Limited
Certified Public Accountants
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Hong Kong

核數師

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STOCK CODE

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股份代號

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WEBSITE

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Interim Results

The board of directors (the “Board”) of Sino Oil and Gas Holdings Limited (the “Company”) announces the unaudited interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2019 as follows:

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2019

中期業績

中國油氣控股有限公司(「本公司」)董事會(「董事會」)宣佈，本公司及其附屬公司(統稱「本集團」)截至2019年6月30日止六個月之未經審核中期業績如下：

簡明綜合全面收益表

截至2019年6月30日止六個月

		Notes	2019 (Unaudited) (未經審核) HK\$'000 千港元	2018 (Unaudited) (未經審核) HK\$'000 千港元
		附註		
Revenue	營業額	5	157,807	314,790
Direct costs	直接成本		(133,752)	(299,488)
Gross profit	毛利		24,055	15,302
Other income	其他收入	6	39,821	42,796
Other losses, net	其他虧損淨額	7	(55)	(20,470)
Selling and distribution expenses	銷售及分銷費用		(4,025)	(1,970)
Administrative expenses	行政費用		(32,642)	(39,728)
Profit/(Loss) from operations	經營溢利/(虧損)		27,154	(4,070)
Finance costs	融資成本	8(a)	(92,146)	(158,261)
Share of loss of an associate	應佔一家聯營公司虧損		(101)	(99)
Loss before income tax expense	除所得稅支出前虧損	8	(65,093)	(162,430)
Income tax expense	所得稅支出	9	(1,964)	(2,173)
Loss for the period	本期虧損		(67,057)	(164,603)

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2019

簡明綜合全面收益表

截至2019年6月30日止六個月

		2019 (Unaudited) (未經審核) HK\$'000 千港元	2018 (Unaudited) (未經審核) HK\$'000 千港元
		Notes 附註	
Other comprehensive income, after tax	其他全面收益，除稅後		
Item that may be reclassified to profit or loss:	可能重新分類至損益之項目：		
Exchange differences on translating foreign operations	換算海外業務之匯兌差異	(65,917)	(98,822)
Item that will not be reclassified to profit or loss:	不得重新分類至損益之項目：		
Change in fair value of financial assets at fair value through other comprehensive income (non-recycling)	按公平值透過其他全面收益列賬的財務資產之公平值變動(不得重新分類至損益)	-	(4,151)
Other comprehensive income for the period, after tax	本期其他全面收益，除稅後	(65,917)	(102,973)
Total comprehensive income for the period	本期全面收益總額	(132,974)	(267,576)
Loss attributable to:	以下人士應佔虧損：		
Owners of the Company	本公司擁有人	(69,462)	(165,176)
Non-controlling interests	非控股權益	2,405	573
		(67,057)	(164,603)
Total comprehensive income attributable to:	以下人士應佔總全面收益：		
Owners of the Company	本公司擁有人	(135,115)	(269,503)
Non-controlling interests	非控股權益	2,141	1,927
		(132,974)	(267,576)
		HK\$ cents 港元(仙)	HK\$ cents 港元(仙) (restated) (重列)
Loss per share	每股虧損		
- Basic and diluted	- 基本及攤薄	11 (2.08)	(8.87)

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. Please refer to note 4 for details.

附註：本集團已於2019年1月1日首次應用香港財務報告準則第16號並選用經修改追溯法。根據此方法，並不會重列比較資料(附註4)。

Condensed Consolidated Statement of Financial Position

At 30 June 2019

簡明綜合財務狀況表

於2019年6月30日

	Notes 附註	30.6.2019 (Unaudited) (未經審核)		31.12.2018 (Audited) (經審核)	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment	12		2,012,650		2,026,855
Oil and gas exploration and evaluation assets			68,176		61,600
Payment for leasehold land held for own use			-		3,915
Right-of-use assets			15,148		-
Intangible assets	13		2,155,780		2,174,607
Goodwill			11,545		11,596
Interest in a joint venture			-		-
Interest in an associate			57,785		57,977
Financial assets at fair value through profit or loss					
			38,130		38,301
Equity investments designated at fair value through other comprehensive income			956		956
Deposits and prepayments	14		52,131		52,365
Loan receivables			13,333		13,470
Total non-current assets			4,425,634		4,441,642
Current assets					
Inventories			35,210		11,950
Financial assets at fair value through profit or loss					
			11,802		19,399
Trade, notes and other receivables, deposits and prepayments	14		411,894		365,106
Short-term investment			68,888		69,216
Loan receivables			4,097		18,290
Amount due from a joint venture			320		320
Cash and cash equivalents			16,287		36,949
Total current assets			548,498		521,230
Total assets			4,974,132		4,962,872

Condensed Consolidated Statement of Financial Position

At 30 June 2019

簡明綜合財務狀況表

於2019年6月30日

	Notes 附註	30.6.2019 (Unaudited) (未經審核)		31.12.2018 (Audited) (經審核)	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Current liabilities					
Other payables and accruals	15	(432,304)		(331,682)	
Borrowings	16	(18,623)		(16,956)	
Convertible notes	17	(1,144,183)		(1,118,267)	
Financial liabilities at fair value through profit or loss	17	(11)		(257)	
Lease liabilities		(10,217)		-	
Taxation		(5,176)		(6,062)	
Total current liabilities		(1,610,514)		(1,473,224)	
Net current liabilities			(1,062,016)		(951,994)
Total assets less current liabilities			3,363,618		3,489,648
Non-current liabilities					
Provisions		(8,555)		(8,594)	
Borrowings	16	(465,764)		(460,167)	
Lease liabilities		(1,441)		-	
Deferred tax		(12,226)		(12,281)	
Total non-current liabilities			(487,986)		(481,042)
NET ASSETS			2,875,632		3,008,606
Capital and reserves attributable to owners of the Company					
Share capital	18		334,544		334,544
Reserves			2,533,238		2,668,353
Equity attributable to owners of the Company			2,867,782		3,002,897
Non-controlling interests			7,850		5,709
TOTAL EQUITY			2,875,632		3,008,606

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. Please refer to note 4 for details.

附註：本集團已於2019年1月1日首次應用香港財務報告準則第16號並選用經修改追溯法。根據此方法，並不會重列比較資料(附註4)。

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2019 – unaudited

簡明綜合權益變動表

截至2019年6月30日止六個月－未經審核

Equity attributable to owners of the Company

本公司擁有人應佔權益

		Share	Share	Contributed	Share	Fair value	Exchange	Accumulated	Total	Non-	Total
		capital	premium	surplus	option	reserve	reserve	reserve		losses	
		股本	股份溢價	繳納盈餘	購股權儲備	公平值儲備	匯兌儲備	累計虧損	總計	非控股權益	總權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2019	於2019年1月1日	334,544	4,486,438	81,043	35,128	(6,641)	(284,626)	(1,642,989)	3,002,897	5,709	3,008,606
(Loss)/profit for the period	本期(虧損)/溢利	-	-	-	-	-	-	(69,462)	(69,462)	2,405	(67,057)
Other comprehensive income	其他全面收益	-	-	-	-	-	(65,653)	-	(65,653)	(264)	(65,917)
Total comprehensive income for the period	本期全面收益總額	-	-	-	-	-	(65,653)	(69,462)	(135,115)	2,141	(132,974)
At 30 June 2019	於2019年6月30日	334,544	4,486,438	81,043	35,128	(6,641)	(350,279)	(1,712,451)	2,867,782	7,850	2,875,632
At 31 December 2017 as originally presented	於2017年12月31日 初始呈列	165,388	4,120,104	81,043	107,853	(2,188)	5,006	(1,329,366)	3,147,840	16,655	3,164,495
Initial adoption of: – HKFRS 9	初步採用: – 香港財務報告 準則第9號	-	-	-	-	-	-	(9,426)	(9,426)	(323)	(9,749)
At 1 January 2018 (restated)	於2018年1月1日 (經重列)	165,388	4,120,104	81,043	107,853	(2,188)	5,006	(1,338,792)	3,138,414	16,332	3,154,746
(Loss)/profit for the period	本期溢利	-	-	-	-	-	-	(165,176)	(165,176)	573	(164,603)
Other comprehensive income	其他全面收益	-	-	-	-	(4,151)	(100,176)	-	(104,327)	1,354	(102,973)
Total comprehensive income for the period	本期全面收益總額	-	-	-	-	(4,151)	(100,176)	(165,176)	(269,503)	1,927	(267,576)
Issue of shares	發行股份	33,800	145,345	-	-	-	-	-	179,145	-	179,145
At 30 June 2018 (restated)	於2018年6月30日 (經重列)	199,188	4,265,449	81,043	107,853	(6,339)	(95,170)	(1,503,968)	3,048,056	18,259	3,066,315

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2019

簡明綜合現金流量表

截至2019年6月30日止六個月

		2019 (Unaudited) (未經審核) HK\$'000 千港元	2018 (Unaudited) (未經審核) HK\$'000 千港元
Net cash generated from operating activities	經營業務產生之現金淨額	42,705	2,577
Net cash generated from/(used in) investing activities	投資活動產生/(所用)之現金淨額	4,678	(1,265)
Net cash generated before financing activities	融資活動前產生之現金淨額	47,383	1,312
Net cash (used in)/generated from financing activities	融資活動(所用)/產生之現金淨額	(62,955)	37,381
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(15,572)	38,693
Cash and cash equivalents at 1 January	於1月1日之現金及現金等價物	36,949	21,766
Effect of foreign exchange rate changes on cash and cash equivalents	現金及現金等價物匯率變動之影響	(5,090)	(2,730)
Cash and cash equivalents at 30 June, representing cash and bank balances	於6月30日之現金及現金等價物 —即現金及銀行結餘	16,287	57,729

1. GENERAL

The Company was incorporated as an exempted company with limited liability in Bermuda on 2 November 1999 under the Companies Act 1981 of Bermuda (as amended) and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 9 February 2000. The registered office and principal place of business of the Company are located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and Suite 1201-1202, 12/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong, respectively.

2. BASIS OF PREPARATION AND GOING CONCERN ASSUMPTION

(a) Basis of preparation

The interim financial report of the Group has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The preparation of an interim report in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2018 annual financial statements. The interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

This interim financial report is unaudited, but has been reviewed by the Company’s Audit Committee.

1. 一般資料

本公司根據百慕達一九八一年公司法(經修訂)於1999年11月2日在百慕達註冊成立為受豁免有限公司，其股份於2000年2月9日於香港聯合交易所有限公司主板上市。本公司之註冊辦事處及主要營業地點分別位於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda及香港中環德輔道中189號李寶椿大廈12樓1201-1202室。

2. 編製基準及持續經營假設

(a) 編製基準

本集團之中期財務報告乃按照香港聯合交易所有限公司證券上市規則(「上市規則」)適用之披露條文編製及香港會計師公會頒佈之《香港會計準則》第34號—「中期財務報告」之規定。管理層在編製符合香港會計準則第34號規定之中期財務報告時所作之判斷、估計及假設，會影響會計政策之應用及按目前情況為基準計算之經匯報資產與負債、收入及支出之金額。實際業績可能有別於該等估計。本中期財務報告包括簡明綜合財務報表及部分附註。附註闡述了自2018年年度財務報表刊發以來，在瞭解本集團之財務狀況變動及表現方面確屬重要之事件及交易。此中期財務報表及附註沒有包括按照《香港財務報告準則》規定編製完整財務報表所需之全部資料。

本中期財務報告雖未經審核，但已由本公司審核委員會審閱。

Notes to the Financial Statements

2. BASIS OF PREPARATION AND GOING CONCERN ASSUMPTION (Continued)

(a) Basis of preparation (Continued)

The financial information relating to the financial year ended 31 December 2018 that is included in this interim financial report as being previously reported information does not constitute the Group's statutory financial statements for that financial year but is derived from those financial statements. The auditor has expressed disclaimer of opinion on those financial statements in his report dated 29 March 2019. Statutory financial statements for the year ended 31 December 2018 are available from the Company's head office or at the Company's website (www.sino-oilgas.hk).

(b) Going concern assumption

As at 30 June 2019, the Group had net current liabilities of HK\$1,062,016,000. It indicates the existence of uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

In respect of the issue of the Group's net current liabilities position as at 30 June 2019, the convertible notes with a principal amount of HK\$1,014,000,000 which will be due in September 2019, is posing a relatively great financial pressure to the Group. The management is actively engaged in discussions of the above issue with the holder of the convertible notes. Although no binding plan or terms have been reached, both parties have conducted in-depth discussions on several feasible options, including but not limited to, (i) exploring the possibilities with the convertible notes holder to amend terms of the convertible notes so as to extend its maturity; (ii) negotiating with potential investors who are interested in acquiring the convertible notes. Management expects both sides may reach consensus in early September 2019.

The Group is actively identifying any possible financing options to strengthen the liquidity of the Group. During the period ended 30 June 2019, the Company has entered into a subscription agreement with an independent investor to allot and issue a total of 665,000,000 shares of the Company at a price of HK\$0.1 per share. The transaction is expected to be completed on 6 September 2019.

2. 編製基準及持續經營假設 (續)

(a) 編製基準 (續)

本中期財務報告所載截至2018年12月31日止財政年度之財務資料為已匯報之資料，雖並不構成本集團該財政年度之法定財務報表，但資料則源自有關財務報表。本公司核數師在2019年3月29日之核數師報告書中對該等財務報表不發表意見。截至2018年12月31日止年度之法定財務報表可於本公司之總辦事處索取，或瀏覽本公司網址 (www.sino-oilgas.hk)。

(b) 持續經營假設

於2019年6月30日，本集團的流動負債淨額為1,062,016,000港元。這表明存在著不確定因素，可能會對本集團持續經營能力產生重大疑問。

就截至2019年6月30日出現流動負債淨值的問題，當中以2019年9月到期，本金為1,014,000,000港元之可換股票據構成的財務壓力較大。管理層現積極與可換股票據持有人就有關問題進行磋商，雖然尚未達成任何具約束力之方案或條款，但已就數個可行方案進行深入討論，方案包括但不限於，(i) 與可換股票據持有人探討修訂可換股票據條款以延長其到期日；(ii) 與潛在投資者討論從可換股票據持有人收購可換股票據。管理層期望雙方可於2019年9月上旬取得共識。

本集團正積極物色任何可能的融資方案，以加強本集團的流動資金。於2019年6月30日期內，本公司與一名獨立投資者達成認購協議以每股0.1港元的價格向其發行665,000,000股普通股。交易完成日期預計為2019年9月6日。

2. BASIS OF PREPARATION AND GOING CONCERN ASSUMPTION *(Continued)*

(b) Going concern assumption *(Continued)*

In addition, three major shareholders and directors of the Company have confirmed that they will provide continuing and sufficient financial support to the Group when the Group faces financial difficulties. The Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the date of the condensed consolidated financial statements. Accordingly, the directors are of the opinion that it is appropriate to prepare the financial statement for the period ended 30 June 2019 on a going concern basis.

3. SIGNIFICANT ACCOUNTING POLICIES

This interim financial report has been prepared in accordance with the same accounting policies adopted in the 2018 annual financial statements, which have been prepared in accordance with all applicable HKFRSs, except for the new standards, amendments and interpretations of HKFRSs issued by HKICPA which have become effective in this period.

Details of the changes in accounting policies due to the adoption of new and revised HKFRSs are set out in note 4.

2. 編製基準及持續經營假設 (續)

(b) 持續經營假設 (續)

此外，本公司三名主要股東及董事已確認，本集團面臨財務困難時將為本集團提供持續及充足的財務支持。本集團將有足夠營運資金為其營運提供資金，並於簡明綜合財務報表日期起計未來十二個月內到期時履行其財務責任。因此，董事認為，按持續經營基準編制2019年6月30日止期間的財務報表屬適當。

3. 主要會計政策

本中期財務報告按照2018年年度財務報表所採用之會計政策及所有適用之香港財務報告準則編製，包括香港會計師公會頒佈之所有適用之個別香港財務報告準則，除香港會計師公會頒佈於本期間生效之新訂及經修訂之香港財務報告準則及詮釋。

由於採納新訂及經修訂香港財務報告準則而導致會計政策變動的詳情載於附註4。

Notes to the Financial Statements

4. ADOPTION OF NEW AND REVISED HKFRSs

In the current period, the Group has applied, for the first time, the following new standards and amendments to HKFRSs issued by the HKICPA which are mandatorily effective for the annual period beginning on or after 1 January 2019 for the preparation of the Group's condensed consolidated financial statements:

- HKFRS 16 Leases
- HK(IFRIC) – Int 23 Uncertainty over Income Tax Treatments
- Amendments to HKFRS 9 Prepayment Features with Negative Compensation
- Amendments to HKAS 19 Plan Amendment, Curtailment or Settlement
- Amendments to HKAS 28 Long-term Interests in Associates and Joint Ventures
- Amendments to HKFRSs Annual Improvements to HKFRSs 2015 – 2017 Cycle

Except as described below, the application of the new and amendments to HKFRSs in the current period has no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

The Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparative for 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 January 2019.

4. 採納新訂及經修訂香港財務報告準則

於本期間，本集團已首次採納以下由香港會計師公會頒佈的新訂及經修訂香港財務報告準則，其就編製本集團簡明綜合財務報表而言，於2019年1月1日或其後開始的年度期間強制生效：

- 香港財務報告準則第16號，租賃
- 香港(國際財務報告詮釋委員會)–詮釋第23號，所得稅處理的不確定性
- 香港財務報告準則第9號(修訂本)，具有負補償的提前還款特性
- 香港會計準則第19號(修訂本)，計劃修訂、削減或清償
- 香港會計準則第28號(修訂本)，於聯營公司及合營企業的長期權益
- 香港財務報告準則(修訂本)，2015年至2017年週期香港財務報告準則的年度改進

除下文所述者外，於本期間應用新訂及經修訂香港財務報告準則對本集團於本期間及過往期間之財務狀況及表現及／或該等簡明綜合財務報表所載之披露並無重大影響。

本集團於2019年1月1日起採用修正追溯法採納香港財務報告準則第16號，但經該準則特定過渡條文允許，並無重列2018年報告期間之比較資料。因此，該等新租賃規則所導致的重新分類及調整，則於2019年1月1日的期初財務狀況表確認。

4. ADOPTION OF NEW AND REVISED HKFRSs

(Continued)

Summary of effects arising from initial application of HKFRS 16 “Leases”:

- (a) The Group has applied HKFRS 16 for the first time in the current period. HKFRS 16 superseded HKAS 17 “Leases” and the related interpretations.

The following table summarises the impacts of the adoption of HKFRS 16 on the Group’s condensed consolidated statement of financial position at 1 January 2019.

Line items in the consolidated statement of financial position impacted by the adoption of HKFRS 16:	綜合財務報表中受採納香港財務報告準則第16號影響之項目：	Carrying amount at 31 December 2018	Capitalisation of operating lease contracts	Carrying amount at 1 January 2019
		於2018年12月31日之賬面值 HK\$'000 千港元	資本化經營租賃合同 HK\$'000 千港元	於2019年1月1日之賬面值 HK\$'000 千港元
Non-current assets	非流動資產			
Payment for leasehold land held for own use	自用租賃土地付款	3,915	(3,915)	–
Right-of-use assets	使用權資產	–	18,227	18,227
Current liabilities	流動負債			
Lease liabilities	租賃負債	–	(8,650)	(8,650)
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	–	(5,662)	(5,662)

(b) Nature of the effect of adoption of HKFRS 16

On transition to HKFRS 16, the weighted average incremental borrowing rate applied to lease liabilities recognized under HKFRS 16 was 15% per annum.

The lease liabilities as at 1 January 2019 reconciled to the operating leases commitments as at 31 December 2018 is as follows:

4. 採納新訂及經修訂香港財務報告準則 (續)

初始應用香港財務報告準則第16號「租賃」所產生的影響概要：

- (a) 本集團已於本期間首次應用香港財務報告準則第16號。香港財務報告準則第16號已取代香港會計準則第17號「租賃」及相關詮釋。

下表概述於2019年1月1日採納香港財務報告準則第16號對本集團簡明綜合財務狀況表的影響。

Line items in the consolidated statement of financial position impacted by the adoption of HKFRS 16:	綜合財務報表中受採納香港財務報告準則第16號影響之項目：	Carrying amount at 31 December 2018	Capitalisation of operating lease contracts	Carrying amount at 1 January 2019
		於2018年12月31日之賬面值 HK\$'000 千港元	資本化經營租賃合同 HK\$'000 千港元	於2019年1月1日之賬面值 HK\$'000 千港元
Non-current assets	非流動資產			
Payment for leasehold land held for own use	自用租賃土地付款	3,915	(3,915)	–
Right-of-use assets	使用權資產	–	18,227	18,227
Current liabilities	流動負債			
Lease liabilities	租賃負債	–	(8,650)	(8,650)
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	–	(5,662)	(5,662)

(b) 採納香港財務報告準則第16號之影響之性質

於過渡至香港財務報告準則第16號時，應用於根據香港財務報告準則第16號確認租賃負債之加權平均增量借款年利率為15%。

於2019年1月1日之租賃負債與於2018年12月31日之經營租賃承擔對賬如下：

Notes to the Financial Statements

4. ADOPTION OF NEW AND REVISED HKFRSs

(Continued)

(b) Nature of the effect of adoption of HKFRS 16

(Continued)

4. 採納新訂及經修訂香港財務報告準則 (續)

(b) 採納香港財務報告準則第16號之影響 之性質 (續)

HK\$'000

千港元

Operating lease commitments at 31 December 2018	於2018年12月31日披露之經營租賃承擔	17,983
Add: lease payments excluded from operating lease commitment under early termination options	增加：可提前終止選項不包括在營租賃承擔內之租賃付款	5,063
Less:	減：	
Short-term leases and other leases with remaining lease term ending on or before 31 December 2019 exempt from capitalization	短期及其他租賃於2019年12月31日或之前到期豁免資本化	(4,418)
Servicing component	服務部分	(215)
Future interest expense	將來利息支出	(3,607)
Exchange reserve	匯兌儲備	(494)
Total lease liabilities recognized under HKFRS 16 at 1 January 2019	於2019年1月1日根據香港財務準則第16號確認之租賃負債總額	<u>14,312</u>

Summary of new accounting policies

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 December 2018 is replaced with the following new accounting policies upon adoption of HKFRS 16 from 1 January 2019:

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. When the right-of-use assets relate to interests in leasehold land held as inventories, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for "inventories". The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

新會計政策概要

截至2018年12月31日止年度之年度財務報表所披露之租賃會計政策將於2019年1月1日採納香港財務報告準則第16號時以下列新會計政策取代：

使用權資產

使用權資產於租賃開始日期確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就任何重新計量租賃負債作出調整。當使用權資產與作為存貨持有之租賃土地之權益相關時，彼等其後根據本集團之「存貨」政策按成本與可變現淨值之較低者計量。使用權資產之成本包括已確認之租賃負債金額、已發生之初始直接成本以及於開始日期或之前作出之租賃付款減已收取之任何租賃優惠。除非本集團合理確定在租期屆滿時取得租賃資產之所有權，否則已確認之使用權資產在估計可使用年期及租期（以較短者為準）內按直線法計提折舊。

4. ADOPTION OF NEW AND REVISED HKFRSs

(Continued)

(b) Nature of the effect of adoption of HKFRS 16

(Continued)

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

(c) Amounts recognised in the statement of financial position and profit or loss

As a result of initially applying HKFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognized depreciation and finance costs, instead of operating lease expenses. During the six months ended 30 June 2019, the Group recognized HK\$3,045,000 of depreciation charges for right-of-use assets and HK\$954,000 of finance costs for these leases.

4. 採納新訂及經修訂香港財務報告準則 (續)

(b) 採納香港財務報告準則第16號之影響之性質 (續)

租賃負債

於租賃開始日期，租賃負債按租賃期內作出之租賃付款之現值予以確認。租賃付款包括固定付款(含實質固定款項)減任何應收租賃優惠、取決於指數或利率之可變租賃款項以及預期根據剩餘價值擔保支付之金額。租賃付款亦包括本集團合理確定行使之購買選擇權之行使價及在租期反映本集團行使終止租賃選擇權時，有關終止租賃之罰款。不取決於指數或利率之可變租賃付款在出現觸發付款之事件或條件之期間內確認為開支。

在計算租賃付款之現值時，倘若租賃中所隱含之利率不易確定，則本集團在租賃開始日期使用增量借款利率。在開始日期之後，租賃負債之金額將會增加以反映利息之增加及扣減租賃付款。此外，如有修改、租賃付款日後因指數或利率變動出現變動、租期變動、實質固定租賃付款變動或購買相關資產的評估變動，則重新計量租賃負債之賬面值。

(c) 於財務狀況及損益表確認的金額

因首次應用香港財務報告準則第16號，就先前被分類為經營租賃的租賃而言，本集團確認折舊及財務成本，而非經營租賃開支。於截至2019年6月30日止6個月，本集團就該等租賃確認使用權資產之折舊費用3,045,000港元及融資成本954,000港元。

Notes to the Financial Statements

5. REVENUE AND SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has four (2018: four) reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- | | |
|--------------------------------|--|
| i) Coalbed methane: | Exploration, development and production of coalbed methane |
| ii) Raw and cleaned coal: | Raw coal washing and sale of raw and cleaned coal |
| iii) Oil and gas exploitation: | Exploitation and sale of crude oil and natural gas |
| iv) Financial services: | Provision of financial services |

There are no sales or trading transactions between the business segments. Corporate revenue and expenses are not allocated to the operating segments as they are not included in the measurement of the segments' results used by the chief operating decision-maker in the assessment of segment performance.

5. 營業額及分部報告

本集團按主要經營決策者審閱並用以作出策略性決策之報告釐定其經營分部。

本集團擁有四個(2018年：四個)可報告分部。由於各自業務提供不同產品及服務需要不同業務策略，故分部須獨立管理。以下為本集團可報告分部營運之概要：

- | | |
|----------------|--------------|
| i) 煤層氣： | 勘探、開發和生產煤層氣 |
| ii) 原煤及精煤： | 原煤洗選和銷售原煤及精煤 |
| iii) 石油和天然氣開採： | 開採及銷售原油和天然氣 |
| iv) 財務服務： | 提供財務服務 |

業務分部間並無出售或買賣交易。企業收入及開支不分配至各經營分部，原因是主要經營決策者評估分部表現的分部業績計算並無包括有關收益及開支在內。

財務報表附註

5. REVENUE AND SEGMENT REPORTING (Continued)

For the six months ended 30 June 2019, the segment information about these businesses is set out as follows:

5. 營業額及分部報告 (續)

有關該等業務之分部資料載列如下：
截至2019年6月30日止六個月

		Coalbed methane 煤層氣 HK\$'000 千港元	Raw and cleaned coal 原煤及 精煤 HK\$'000 千港元	Oil and gas exploitation 石油和 天然氣開採 HK\$'000 千港元	Financial services 財務服務 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Results	業績						
Revenue from external customers	營業額—來自外界客戶之收入						
– Within the scope of HKFRS 15	– 香港財務報告準則第15號範圍內	58,185	73,980	–	–	–	132,165
– Interest income from financial services	– 財務服務利息收入	–	–	–	25,642	–	25,642
		58,185	73,980	–	25,642	–	157,807
Segment results ^{(i)&(ii)}	分部業績 ^{(i)&(ii)}	18,858	12,326	9,816	590	(14,682)	26,908
Change in fair value of financial liabilities at fair value through profit or loss	按公平值透過損益列帳之財務負債之公平值變動	–	–	–	–	246	246
Finance costs	融資成本	(3,272)	(742)	–	(164)	(87,968)	(92,146)
Share of loss of an associate	應佔一家聯營公司虧損	(101)	–	–	–	–	(101)
Profit/(loss) before income tax expense	除所得稅支出前溢利／(虧損)	15,485	11,584	9,816	426	(102,404)	(65,093)
Income tax expense	所得稅支出	–	(1,964)	–	–	–	(1,964)
Profit/(loss) for the period	本期溢利／(虧損)	15,485	9,620	9,816	426	(102,404)	(67,057)
Assets and liabilities At 30 June 2019	資產及負債於2019年6月30日						
Reportable segment assets ⁽ⁱⁱⁱ⁾	可報告分部資產 ⁽ⁱⁱⁱ⁾	4,366,686	142,223	350,704	38,258	76,261	4,974,132
Reportable segment liabilities ⁽ⁱⁱⁱ⁾	可報告分部負債 ⁽ⁱⁱⁱ⁾	407,084	30,795	16	6,566	1,654,039	2,098,500

Notes to the Financial Statements

5. REVENUE AND SEGMENT REPORTING (Continued)

For the six months ended 30 June 2018, the segment information about these businesses is set out as follows:

5. 營業額及分部報告 (續)

有關該等業務之分部資料載列如下：
截至2018年6月30日止六個月

		Coalbed methane	Raw and cleaned coal	Oil and gas exploitation	Financial services	Unallocated	Total
		煤層氣	原煤及 精煤	石油和 天然氣開採	財務服務	未分配	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Results	業績						
Revenue from external customers	營業額—來自外界客戶之收入						
– Within the scope of HKFRS 15	– 香港財務報告準則第15號範圍內	44,147	267,488	–	–	–	311,635
– Interest income from financial services	– 財務服務利息收入	–	–	–	3,155	–	3,155
		44,147	267,488	–	3,155	–	314,790
Segment results ^{(i)&(ii)}	分部業績 ^{(i)&(ii)}	15,612	5,627	6,577	4,247	(20,715)	11,348
Change in fair value of financial liabilities at fair value through profit or loss	按公平值透過損益列帳之財務負債之公平值變動	–	–	–	–	(15,418)	(15,418)
Finance costs	融資成本	–	(1,161)	–	–	(157,100)	(158,261)
Share of loss of an associate	應佔一家聯營公司虧損	(99)	–	–	–	–	(99)
Profit/(loss) before income tax expense	除所得稅支出前溢利/(虧損)	15,513	4,466	6,577	4,247	(193,233)	(162,430)
Income tax expense	所得稅支出	–	(2,173)	–	–	–	(2,173)
Profit/(loss) for the period	本期溢利/(虧損)	15,513	2,293	6,577	4,247	(193,233)	(164,603)
Assets and liabilities	資產及負債						
At 30 June 2018	於2018年6月30日						
Reportable segment assets ⁽ⁱⁱⁱ⁾	可報告分部資產 ⁽ⁱⁱⁱ⁾	4,549,202	274,558	342,436	41,407	125,018	5,332,621
Reportable segment liabilities ⁽ⁱⁱⁱ⁾	可報告分部負債 ⁽ⁱⁱⁱ⁾	307,738	60,196	–	554	1,888,069	2,256,557

5. REVENUE AND SEGMENT REPORTING (Continued)

Notes:

- (i) Unallocated results mainly include salaries, rental expense and professional fees for Hong Kong head office.
- (ii) The segment result of coalbed methane includes government subsidies and grants of HK\$24,454,000 (six months ended 30 June 2018: HK\$26,774,000).
- (iii) Unallocated assets mainly include cash and cash equivalents in head office, short-term investment and equity investments designated at fair value through other comprehensive income. Unallocated liabilities mainly include financial liabilities at fair value through profit or loss, borrowings and convertible notes.

6. OTHER INCOME

Interest income	利息收入
– bank deposits	– 銀行存款
– short-term investment	– 短期投資
– others (note (i))	– 其他(附註(i))
Total interest income on financial assets measured at amortised cost	按攤銷成本列賬之財務資產之利息收入總額
Government subsidies and grants (note (ii))	政府補貼及補助(附註(ii))
Others	其他

Notes:

- (i) It mainly represents the interest income from the refundable deposits paid for possible acquisitions of Canada oil fields. Please refer to note 14(iv) for details.
- (ii) It represents the regular subsidies during the period from relevant government authority on the sales of coalbed methane for the year of 2018 (six months ended 30 June 2018: for the year of 2017) and VAT refund on the sales of coalbed methane from local tax bureau. Both of them were generated from the coalbed methane segment as disclosed in note 5.

5. 營業額及分部報告(續)

附註：

- (i) 未分配業績主要包員工成本、租金及專業費用等香港總辦事處開支。
- (ii) 煤層氣分部業績包括政府補貼及補助24,454,000港元(2018年6月30日止六個月：26,774,000港元)。
- (iii) 未分配資產主要包括總公司的現金和現金等價物、短期投資及按公平值透過其他全面收益列賬之股權投資。而未分配負債主要包括按公平值透過損益列賬之財務負債、借貸及可換股票據。

6. 其他收入

Six months ended 30 June
截至6月30日止六個月

2019 HK\$'000 千港元	2018 HK\$'000 千港元
8	6
4,792	5,103
10,287	10,432
15,087	15,541
24,454	26,774
280	481
39,821	42,796

附註：

- (i) 其他利息收入主要為收購加拿大油田項目之按金的利息收入(附註14(iv))。
- (ii) 此乃相關政府部門對於2018年(2018年6月30日止六個月：來自2017年)煤層氣銷售的恆常補貼及當地稅務部門就煤層氣銷售退回之增值稅。兩者都是源自煤層氣分部(附註5)。

Notes to the Financial Statements

7. OTHER LOSSES, NET

7. 其他虧損淨額

		Six months ended 30 June 截至6月30日止六個月	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Change in fair value of financial liabilities at fair value through profit or loss	按公平值透過損益列賬之 財務負債公平值變動	246	(15,418)
Exchange loss, net	匯兌虧損淨額	(301)	(2,494)
Others	其他	-	(2,558)
		(55)	(20,470)

8. LOSS BEFORE INCOME TAX EXPENSE

8. 除所得稅支出前虧損

Loss before income tax expense is arrived at after charging:

除所得稅支出前虧損已扣除：

		Six months ended 30 June 截至6月30日止六個月	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
(a) Finance costs	(a) 融資成本		
Interest expense for financial liabilities measured at amortised costs:	按攤銷成本列賬之財務負債之 利息支出：		
Interest on corporate bonds	企業債券之利息	17,058	17,076
Interest on borrowings	借貸利息	3,538	19,962
Imputed interest on convertible notes	可換股票據之應歸利息	62,319	126,403
Interest on lease liabilities	租賃負債利息	954	-
Others	其他	13	940
		83,882	164,381
Other finance costs:	其他融資成本：		
Amortisation of transaction cost on convertible notes	可換股票據的交易成本之攤銷	4,417	-
Amortisation of transaction cost on corporate bonds	企業債券的交易成本之攤銷	6,097	5,880
		94,396	170,261
Less: interest capitalised in qualifying assets	減：轉入合格資產之資本化利息	(2,250)	(12,000)
		92,146	158,261

財務報表附註

8. LOSS BEFORE INCOME TAX EXPENSE (Continued)

8. 除所得稅支出前虧損(續)

		Six months ended 30 June 截至6月30日止六個月	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
(b) Employee costs (including directors' remuneration)	(b) 員工成本(包括董事酬金)		
Salaries, wages and other benefits	薪金、工資及其他福利	15,001	13,320
Contributions to defined contribution retirement plan	定額供款退休計劃之供款	371	267
		15,372	13,587
(c) Other Items	(c) 其他項目		
Cost of inventories sold recognised as expenses	已確認為費用的已售存貨成本	57,489	253,289
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	17,409	27,669
Depreciation of right-of-use assets	使用權資產之折舊	3,045	-
Amortisation of payments for leasehold land held for own use	自用租賃土地付款之攤銷	-	115
Amortisation of intangible assets	無形資產之攤銷	9,279	11,358
Rental expenses under short-term lease	短期租賃之物業租金	2,914	-
Minimum lease payments under operating lease-property rentals	經營租賃之最低租賃款項—物業租金	-	7,220

Notes to the Financial Statements

9. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the group companies did not have any estimated assessable profits subject to Hong Kong profits tax for the six months ended 30 June 2019 and 2018. During the six months ended 30 June 2019 and 2018, the subsidiaries in the People's Republic of China ("PRC") were subject to statutory tax rate of 25%.

The amount of income tax expense, charged to the condensed consolidated statement of comprehensive income represents:

9. 所得稅支出

截至2019年6月30日及2018年6月30日止六個月，由於集團公司並無須繳納香港利得稅之估計應課稅溢利，故並無計提香港利得稅撥備。截至2019年6月30日及2018年6月30日止六個月，位於中華人民共和國（「中國」）之附屬公司按法定稅率25%繳納稅項。

扣除簡明綜合全面收益表的所得稅包括：

		Six months ended 30 June 截至6月30日止六個月	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Current income tax	即期所得稅		
– PRC enterprises income tax	– 中國企業所得稅	1,964	3,085
Deferred tax for the period	期內之遞延稅項	–	(912)
Income tax expense	所得稅支出	1,964	2,173

10. DIVIDEND

The directors have neither declared nor proposed any dividends in respect of the six months ended 30 June 2019 (six months ended 30 June 2018: nil).

10. 股息

董事並無宣派或擬派截至2019年6月30日止六個月之股息（截至2018年6月30日止六個月：無）。

11. LOSS PER SHARE

During the year ended 31 December 2018, the Group has conducted a share consolidation (note 18). In determining the weighted average number of ordinary shares in issue for the six months ended 30 June 2018, the Share Consolidation (as defined in note 18) has been regarded as completed since 1 January 2018. Loss per share for the six months ended 30 June 2018 was restated accordingly.

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company of HK\$69,462,000 (six months ended 30 June 2018: loss of HK\$165,176,000) and the weighted average number of 3,345,439,000 (six months ended 30 June 2018: 1,861,162,000) ordinary shares in issue during the period.

(b) Diluted loss per share

Diluted loss per share for the six months ended 30 June 2019 and 30 June 2018 is the same as the basic loss per share as the Company's outstanding share options and convertible notes, where applicable, had an anti-dilutive effect on the basic loss per share for the period ended 30 June 2019 and 30 June 2018.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2019, the Group incurred the expenditure on property, plant and equipment with a cost of HK\$11,786,000 (six months ended 30 June 2018: HK\$13,190,000) and interest capitalised is HK\$1,726,000 (six months ended 30 June 2018: HK\$12,000,000).

13. INTANGIBLE ASSETS

The intangible assets represent mainly an operation rights in respect of coalbed methane project in the PRC and a favourable supplier agreement in respect of raw and cleaned coal project in the PRC. Full impairment has been made on the value of the favourable supplier agreement in 2018.

11. 每股虧損

截至2018年12月31日止年度，本集團已進行股份合併(附註18)。於釐定截至2018年6月30日止六個月已發行普通股之加權平均數時，股份合併(定義見附註18)已自2018年1月1日起被視作為完成。截至2018年6月30日止六個月之每股虧損已相應作出重列。

(a) 每股基本虧損

每股基本虧損乃根據本公司擁有人之應佔虧損 69,462,000港元(2018年6月30日止六個月：虧損 165,176,000港元)，以及期內已發行普通股之加權平均數 3,345,439,000股(2018年6月30日止六個月：1,861,162,000股)普通股計算。

(b) 每股攤薄虧損

截至2019年6月30日及2018年6月30日止六個月，每股攤薄虧損與每股基本虧損相同，因本公司尚未行使之購股權及可換股票據(如適用)，對截至2019年6月30日及2018年6月30日止期內，具有反攤薄影響。

12. 物業、廠房及設備

截至2019年6月30日止六個月，本集團關於物業、廠房及設備之資本開支成本為11,786,000港元(截至2018年12月31止六個月：13,190,000港元)及資本化利息成本為1,726,000港元(截至2018年6月30日止六個月：12,000,000港元)。

13. 無形資產

無形資產主要為位於中國煤層氣項目之營運權及原煤和精煤項目之優惠供應商協議。優惠供應商協議已於2018年年度全數撥備減值虧損。

Notes to the Financial Statements

14. TRADE, NOTES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

14. 應收賬款、應收票據、其他應收賬款、按金及預付款項

		30.6.2019	31.12.2018
		HK\$'000	HK\$'000
		千港元	千港元
Non-current assets	非流動資產		
Deposits and prepayments (note (ii))	按金及預付款項(附註(ii))	52,131	52,365
Current assets	流動資產		
Trade receivables (note (i))	應收賬款(附註(i))	17,666	22,012
Less: impairment loss (note (v))	減：減值虧損(附註(v))	(316)	(316)
		17,350	21,696
Notes receivable	應收票據	34,907	2,401
Other receivables (note (iii))	其他應收賬款(附註(iii))	58,920	54,753
Less: impairment loss (note (v))	減：減值虧損(附註(v))	(26,014)	(26,014)
		32,906	28,739
Other deposits (note (iv))	其他按金(附註(iv))	310,659	290,581
Less: impairment loss (note (v))	減：減值虧損(附註(v))	(10,703)	(10,337)
		299,956	280,244
Utility deposits	水電按金	2,070	2,453
Prepayments	預付款項	24,705	29,573
		411,894	365,106

14. TRADE, NOTES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Note:

- (i) The ageing analysis of trade receivables, net of loss allowance, based on invoice date at the end of reporting period is as follows:

Current or within 30 days 現時或少於30天

- (ii) As at 30 June 2019, the balance included prepaid exploration costs of HK\$52,131,000 (31 December 2018: HK\$52,365,000) on the Group's construction in progress.
- (iii) As at 30 June 2019, the balance mainly included interest receivables of short-term investment of HK\$19,337,000 (31 December 2018: HK\$14,545,000), and consideration receivables of HK\$24,000,000 (31 December 2018: HK\$24,000,000) on the disposal of a subsidiary. During the year ended 31 December 2018, a lifetime ECL of HK\$24,000,000 was recognised.
- (iv) As at 30 June 2019, the balance mainly included deposits of HK\$238,704,000 (31 December 2018: HK\$230,532,000) paid for possible acquisitions of Canada oil fields and interest receivables of HK\$70,525,000 (31 December 2018: HK\$58,311,000) in relation to these deposits. The deposits were interest bearing at 8.5% per annum.
- (v) There was no movement in the impairment loss account for the expected credit loss ("ECL") in respect of trade receivable, other receivable and other deposits for the six months ended 30 June 2019 (for the six months ended 30 June 2018: nil).

14. 應收賬款、應收票據、其他應收賬款、按金及預付款項 (續)

附註：

- (i) 於報告期末按發票日呈報之應收賬款(扣除虧損撥備)之賬齡分析如下：

30.6.2019 HK\$'000 千港元	31.12.2018 HK\$'000 千港元
17,350	21,696

- (ii) 於2019年6月30日，餘款包括對本集團在建工程之預付勘探成本52,131,000港元(2018年12月31日：52,365,000港元)。
- (iii) 於2019年6月30日，餘款包括應收短期投資利息19,337,000港元(2018年12月31日：14,545,000港元)及出售子公司之應收代價24,000,000港元(2018年12月31日：24,000,000港元)。截止2018年12月31日止年度，應收代價已確認全額預期信貸虧損24,000,000港元。
- (iv) 於2019年6月30日，餘款包括按金238,704,000港元(2018年12月31日：230,532,000港元)及與按金相關之應收利息70,525,000港元(2018年12月31日：58,311,000港元)。此按金為本公司可能收購加拿大油田之按金，按金以每年8.5%計算利息。
- (v) 截至2019年6月30日止六個月，應收賬款、其他應收賬款及其他按金之預期信貸減值虧損沒有變動(2018年6月30日止六個月：無)。

Notes to the Financial Statements

15. TRADE, OTHER PAYABLES AND ACCRUALS

15. 應付賬款、其他應付款項及預提費用

		30.6.2019	31.12.2018
		HK\$'000	HK\$'000
		千港元	千港元
Current liabilities	流動負債		
Other payables and accruals (note (i))	其他應付款項及預提費用(附註(i))	300,164	326,367
Receipt in advance (note (ii))	預收款項(附註(ii))	124,560	-
Amounts due to shareholders (note (iii))	應付股東款項(附註(iii))	7,580	5,315
		432,304	331,682

Notes:

- (i) It mainly includes exploration costs payable of approximately HK\$247,957,000 (31 December 2018: HK\$256,881,000) in respect of oil and gas properties.
- (ii) It mainly includes the receipt in advance of approximately HK\$111,436,000 from the Partner in the PRC for capital development of the Sanjiao CBM Project.
- (iii) The loans are unsecured, interest free and repayable on demand.

附註：

- (i) 其他應付款項包括有關油氣資產之應付勘探成本約247,957,000港元(2018年12月31日：256,881,000港元)。
- (ii) 預收款主要包括來自三交煤層氣項目中方合作夥伴關於資本開發的預收款約111,436,000港元。
- (iii) 該貸款為無抵押、免息及須按要求即時償還。

財務報表附註

16. BORROWINGS

16. 借貸

		30.6.2019	31.12.2018
		HK\$'000	HK\$'000
		千港元	千港元
Other borrowings	其他借貸		
– secured (note (i))	– 有抵押(附註(i))	8,226	–
– unsecured	– 無抵押	7,397	3,556
Corporate bonds – unsecured	企業債券 – 無抵押	468,764	473,567
		484,387	477,123
On demand or within one year	按要求或一年內償還	18,623	16,956
More than one year, but not exceeding two years	超過一年，但不超過兩年	–	6,000
More than two years, but not exceeding five years	超過兩年，但不超過五年	382,700	361,200
More than five years	超過五年	83,064	92,967
		484,387	477,123
Amount due within one year included in current liabilities	列入流動負債一年內到期之金額	(18,623)	(16,956)
Non-current portion	非流動部分	465,764	460,167

Notes:

- (i) Secured borrowings were secured by the interest income generated from the Financial Service segment as disclosed in note 5.
- (ii) The range of effective interest rates on the Group's borrowings for the six months ended 30 June 2019 are as follows:-

附註：

- (i) 有抵押借貸以集團財務服務業務(附註5)所產生的利息收入作抵押。
- (ii) 截至2019年6月30日止六個月內，本集團借貸的實際利率為下列範圍：

		30.6.2019	31.12.2018
Other borrowings	其他借貸		
– secured	– 有抵押	5% – 12%	–
– unsecured	– 無抵押	18% – 24%	30%
Corporate bonds	無抵押企業債券	5% – 8%	5% – 8%

Notes to the Financial Statements

17. CONVERTIBLE NOTES

17. 可換股票據

		Liability component	Derivative component	Total
		負債部分	衍生部分	總額
		HK'000	HK'000	HK'000
		千港元	千港元	千港元
At 1 January 2018	於2018年1月1日	1,238,031	37,895	1,275,926
Released upon expiry	於到期日撥回	(309,136)	–	(309,136)
Amortisation of transaction costs	交易成本之攤銷	8,833	–	8,833
Imputed interest expense	應歸利息支出	246,837	–	246,837
Interest paid	已付利息	(66,298)	–	(66,298)
Change in fair value	公平值變動	–	(37,638)	(37,638)
At 31 December 2018 and at 1 January 2019	於2018年12月31日及 於2019年1月1日	1,118,267	257	1,118,524
Amortisation of transaction costs (note 8(a))	交易成本之攤銷(附註8(a))	4,417	–	4,417
Imputed interest expense (note 8(a))	應歸利息支出(附註8(a))	62,319	–	62,319
Interest paid	已付利息	(40,820)	–	(40,820)
Change in fair value	公平值變動	–	(246)	(246)
At 30 June 2019	於2019年6月30日	1,144,183	11	1,144,194

Notes:

- (i) For the six months ended 30 June 2019, imputed interest expense on the convertible notes was charged at the rate of approximately 18.96% calculated using the effective interest method.
- (ii) The convertible note was secured by the issued shares of two subsidiaries of the Company, Power Great Limited and Orion Energy International Inc., by way of first fixed legal charge to the bondholder as continuing security.

附註：

- (i) 於2019年6月30日止6個月內，可換股票據之應歸利息支出乃按年利率18.96%使用實際利息法計算。
- (ii) 可換股票據以本公司之兩家附屬公司威遠有限公司和奧瑞安能源國際有限公司之已發行股份，透過第一固定法定押記之方式向債券持有人作持續抵押。

18. SHARE CAPITAL

18. 股本

		Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
Issued and fully paid	已發行及繳足		
At 1 January 2018	於2018年1月1日	16,538,791	165,388
Share issued before Share Consolidation	於股份合併前發行之股份	11,340,000	113,400
Share consolidation (note)	股份合併(附註)	(25,090,912)	-
Shares issued after Share Consolidation	於股份合併後發行之股份	557,560	55,756
At 31 December 2018 and at 30 June 2019	於2018年12月31日及 2019年6月30日	<u>3,345,439</u>	<u>334,544</u>

Note: With effect from 9 August 2018, every ten issued and unissued existing shares of par value HK\$0.01 each in the share capital of the Company were consolidated into one consolidated share of par value HK\$0.1 each (the "Share Consolidation"). All Consolidated Shares rank pari passu in all respects with each other.

附註：自2018年8月9日起，本公司股本中每十股每股面值0.01港元已發行及未發行現有股份合併為一股每股面值0.10港元合併股份（「股份合併」）。所有合併股份彼此之間在所有方面享有同等權益。

Notes to the Financial Statements

19. COMMITMENTS

(a) Operating lease commitments – Lessee

At 31 December 2018, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

		HK\$'000 千港元
Within 1 year	1年內	10,451
After 1 year but within 5 years	1年後但5年內	7,532
		<u>17,983</u>

The Group is the lessee of a number of properties and plant and equipment held under leases which were previously classified as operating leases under HKAS 17. The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to these leases (see note 4). From 1 January 2019 onwards, future lease payments are recognised as lease liabilities in the statement of financial position in accordance with the policies set out in note 4.

(b) Capital commitments

Commitments in respect of the Sanjiao CBM Project	就三交煤層氣項目之承擔
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19. 承擔

(a) 經營租賃承擔 – 承租人

於2018年12月31日，不可撤銷經營租賃之日後應付之最低租賃款項總額如下：

本集團為根據經營租賃租用多項物業、廠房及設備之承租人，該租賃先前已根據香港會計準則第17號分類為經營租賃。本集團已採用經修訂的追溯法初步應用香港財務報告準則第16號。根據這種方法，本集團調整了2019年1月1日期初餘額，以確認與這些租賃相關的租賃負債（見附註4）。自2019年1月1日起，未來租賃付款根據附註4所載會計政策在財務狀況表中確認為租賃負債。

(b) 資本承擔

30.6.2019 HK\$'000 千港元	31.12.2018 HK\$'000 千港元
<u>23,736</u>	<u>23,842</u>

20. CONTINGENT LIABILITIES

The Group also engages in the exploration, development and production of coalbed methane resources. The consequence of coalbed mining includes dismantlement and demolition of infrastructure in the mining sites. The Group may have obligations to make payments for restoration and rehabilitation of the land after the sites have been extracted. At 30 June 2019, a provision of HK\$8,555,000 (31 December 2018: HK\$8,594,000) was made in the condensed consolidated statement of financial position.

21. MATERIAL RELATED PARTY TRANSACTIONS

Key management personnel remuneration

Details of compensation paid to key management personnel including the directors of the Company are as follows:

20. 或有負債

本集團亦經營煤層氣資源之勘探、開發和生產，而進行煤層開採之後果包括拆遷及拆除礦場之基本設施。本集團或須負責在礦場完成開採後，支付礦區土地復原及復墾之費用。於2019年6月30日，簡明綜合財務狀況表內作出了8,555,000港元（2018年12月31日：8,594,000港元）之撥備。

21. 重大關連人士交易

主要管理人員酬金

已付主要管理人員（包括本公司董事）酬金詳情如下：

		Six months ended 30 June 截至6月30日止六個月	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	7,417	8,770

Management Discussion and Analysis

BUSINESS REVIEW

During the period ended 30 June 2019, Sino Oil and Gas Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) recorded a total revenue of approximately HK\$157,807,000 (2018 interim: HK\$314,790,000). The decrease in turnover was mainly attributable to the change of some of the coal washing business model from last year. Though this has affected the calculation of turnover, the actual profit of this business continued to remain stable. The turnover included the sales of coalbed methane (“CBM”) in our Sanjiao CBM Project of approximately HK\$58,185,000 (2018 interim: HK\$44,147,000), the sales derived from raw coal washing project located in Qinshui Basin, Shanxi Province of approximately HK\$73,980,000 (2018 interim: HK\$267,488,000), and the gross income from the financial services business in Shaanxi Province of approximately HK\$1,908,000 (2018 interim: HK\$3,155,000).

During the period, the Group recorded a net loss of approximately HK\$67,057,000 (2018 interim: net loss HK\$164,603,000), which significantly decreased by approximately 59% compared with the same period last year. The decrease of loss was mainly attributable to the settlement of part of its financial liabilities, resulting in a significant drop in financial costs; and the fair value change of financial liabilities arising from the relevant convertible note during the period was relatively insignificant, which recorded a gain of approximately HK\$246,000 (2018 interim: loss on fair value change HK\$15,418,000). During the period, the Group recorded earnings before interest, taxes, depreciation and amortization (“EBITDA”) of approximately HK\$56,786,000 (2018 interim: EBITDA HK\$34,973,000), which significantly increased by approximately 62% compared with the same period last year.

During the period, Sanjiao CBM Project continued to have a steady growth. CBM sales amounted to HK\$58,185,000 (2018 interim: HK\$44,147,000), which has largely increased by 32% as compared with that of last year. The government subsidies and VAT tax refund arising from the sales in 2018 were approximately HK\$24,454,000 (2018 interim: government subsidies generated from the sales of 2017 were HK\$26,774,000). During the period, the sale-to-production rate reached approximately 97% (2018 interim: 84%). The Sanjiao CBM Project has entered into the development stage and the Group believes that it will bring long-term substantial profits.

業務回顧

截至2019年6月30日止六個月內，中國油氣控股有限公司（「本公司」）及其附屬公司（「本集團」）錄得營業額為約157,807,000港元（2018年中期：314,790,000港元），營業額下降主要因為集團自去年將部份原煤洗選業務模式轉變，影響營業額之計算，而此業務之實際利潤繼續保持平穩。營業額分別來自於三交煤層氣銷售約58,185,000港元（2018年中期：44,147,000港元）、山西沁水盆地之原煤洗選業務收入約73,980,000港元（2018年中期：267,488,000港元），以及陝西金融服務業務淨收入約1,908,000港元（2018年中期：3,155,000港元）。

期內，本集團錄得淨虧損約67,057,000港元（2018年中期：淨虧損164,603,000港元），較去年同期大幅減少約59%，主要由於集團已償還部份貸款令財務成本顯著下降，而錄得有關可轉換票據的財務負債之公允價值變動不大，只錄得相關收益約246,000港元（2018年中期：虧損15,418,000港元）。期內，本集團錄得稅息折舊及攤銷前利潤（「EBITDA」）約為56,786,000港元（2018年中期：EBITDA 34,973,000港元），較去年同期大幅上升約62%。

期內，三交項目繼續穩定發展，三交煤層氣項目煤層氣銷售額約58,185,000港元（2018年中期：44,147,000港元），較去年同期大幅上升約32%。2018年銷售所產生之政府補貼及增值稅退稅約24,454,000港元（2018年中期：2017年銷售所產生之政府補貼為26,774,000港元）。期內，項目產銷比率達約97%（2018年中期：84%）。三交煤層氣項目之營運日趨成熟穩健，集團相信項目將繼續提供長遠的盈利貢獻。

The interest income amounted to approximately HK\$10,287,000 (2018 interim: HK\$10,432,000) disclosed in “other income”, mainly derived from the refundable deposits of CAD40 million of the Group’s possible acquisitions located in Alberta, Canada.

Natural Gas and Oil Exploitation

Coalbed Methane Exploitation— Sanjiao Block in the Ordos Basin

Project Overview

Through its wholly-owned subsidiary Orion Energy International Inc. (“Orion”), the Group entered into a production sharing contract (“PSC”) with China National Petroleum Corporation (“PetroChina”), its partner in the PRC, for exploration, utilization and production of the CBM field in the Sanjiao block, located in the Ordos Basin in Shanxi and Shaanxi provinces. The Group has a 70% interest in the PSC. The PSC covers a block in the Ordos Basin in Shanxi and Shaanxi provinces, with a total site area of 383 square kilometers. According to a competent person’s updated report provided to the Company by the end of 2015, the proved and probable CBM reserves of Sanjiao CBM Project amounted to approximately 8.301 billion cubic meters and the net present value at 10% discount of the future revenue of the reserve was approximately HK\$11.498 billion.

Following the approval of its overall development plan by the National Development and Reform Commission (“NDRC”) in 2015, Sanjiao CBM Project was granted a mining permit by the Ministry of Land and Resources of the PRC with an approved CBM production capacity of 500 million cubic meters per annum in July 2017. The mining permit shall be valid for 25 years from July 2017 to July 2042. At this point, all necessary administrative approvals under the current PRC laws and regulations have been obtained for exploration, development, exploitation and production phases of Sanjiao CBM Project.

另披露於其他收入的利息收入金額約10,287,000港元（2018年中期：10,432,000港元），該利息收入主要來自本集團位於加拿大阿爾伯特省的擬收購項目的可退還按金40,000,000加元。

天然氣及石油開採

煤層氣開採 — 鄂爾多斯盆地三交區塊

項目總覽

本集團透過旗下全資附屬公司奧瑞安能源國際有限公司（「奧瑞安」），與中國夥伴中國石油天然氣集團公司（「中石油」）訂立生產分成合約（「PSC」），在中國山西及陝西省鄂爾多斯盆地三交區塊進行煤層氣田勘探、開採及生產，並享有當中70%權益。PSC覆蓋中國山西省及陝西省鄂爾多斯盆地合共383平方公里之區塊。根據一份由合資格人士於2015年底向本公司提供之儲量報告更新，三交煤層氣項目之淨儲量（已證實+概略）約為83.01億立方米，而該儲量未來收入淨現值（10%折現）約為114.98億港元。

三交煤層氣項目繼2015年總體開發方案獲國家發展和改革委員會（「國家發改委」）批覆後，於2017年7月份獲國家國土資源部授予《探礦許可證》，獲准開採的生產規模為每年5億立方米煤層氣，開採有效期為25年（自2017年7月至2042年7月）。至此，三交煤層氣項目由勘探階段進入開發、開採、生產階段，依據中國現行法律法規所需要的行政許可均已齊備。

Management Discussion and Analysis

Infrastructure

As at 30 June 2019, the Sanjiao CBM Project has completed a total of 118 wells, comprising 66 multilateral horizontal wells and 52 vertical wells. Out of the total 118 wells, 89 wells were in the normal dewatering and gas producing stage, of which 90 wells had accessed to a gas collection pipeline network. A ground pipeline network of approximately 18 kilometers, inter-well pipelines of approximately 63.2 kilometers, and outbound pipelines of approximately 17 kilometers were completed. Approximately total 71.4 kilometers of 10KV power grid and branch power line were also completed.

The total daily processing capacity of the CBM processing station is 500,000 cubic meters now. To cope with the increasing production volume of Sanjiao CBM Project, the Group has undertaken the expansion of the CBM processing station. Its daily processing capacity will reach 750,000 cubic meters upon completion.

Sales

During the period, Sanjiao CBM Project recorded EBITDA of approximately HK\$46,185,000 (2018 interim: HK\$50,354,000). The government subsidies and VAT tax refund arising from the sales in 2018 were approximately HK\$24,454,000 (2018 interim: government subsidies generated from the sales of 2017 were HK\$26,774,000). CBM sales amounted to HK\$58,185,000 (2018 interim: HK\$44,147,000), which has largely increased by 32% as compared with the same period of last year. During the period, the production and sales of CBM were approximately 51.29 million cubic meters (2018 interim: 47.68 million cubic meters) and 49.76 million cubic meters (2018 interim: 40.02 million cubic meters) respectively, resulting in a gas sale-to-production rate of approximately 97% for the period (2018 interim: 84%), which has significantly improved comparing with that of last year. In terms of the composition of gas sales throughout the period, industrial piped CBM sales accounted for approximately 82.6% of total sales (2018 interim: 85.3%), while residential piped CBM sales contributed approximately 17.4% (2018 interim: 14.7%). Same as last year, all CBM was sold by pipeline.

基礎建設

截至2019年6月30日止，三交煤層氣項目合計完成鑽井共118口，其中66口為多分支水平井，餘下的52口為直井。在上述118口井中，正常排採井為89口，接入集氣管網的井位有90口。三交地面系統工程方面，已建成區內集氣幹線約18公里，集氣支線約63.2公里，外輸管線約17公里；並架設總長度約71.4公里的10KV輸電幹線及電力支線。

集團已完成擴建煤層氣增壓脫水站的工作，其總煤層氣日處理能力已達50萬立方米。為配合三交煤層氣項目不斷提升的煤層氣產量，集團已開展擴建煤層氣增壓脫水站日處理能力達至75萬立方米的計劃。

銷售

期內，三交煤層氣項目錄得EBITDA約46,185,000港元（2018年中期：50,354,000港元）。2018年銷售所產生之政府補貼及增值稅退稅約24,454,000港元（2018年中期：2017年銷售所產生之政府補貼為26,774,000港元）。煤層氣銷售額約58,185,000港元（2018年中期：44,147,000港元），較去年同期大幅上升約32%。期內項目分別生產及銷售煤層氣約5,129萬立方米（2018年中期：4,768萬立方米）及4,976萬立方米（2018年中期：4,002萬立方米），平均產銷比率達約97%（2018年中期：84%），較去年同期有顯著改善。期內銷售結構中，工業用管道煤層氣銷售佔約82.6%（2018年中期：85.3%），民用管道煤層氣銷售佔約17.4%（2018年中期：14.7%）。與去年同期一樣，煤層氣銷售均全部為管道銷售。

Raw Coal Washing Project Located in Shanxi Province

The Group owned a 75% equity interest of a raw coal washing project company located in Qinshui Basin, Shanxi Province. Last year, the project team sought to develop direct processing business in order to diversify the risk of a single business model. This change has affected the computation of the turnover amount, resulting in a decline in turnover, while the actual profit remained stable. During the period, the revenue from the raw coal washing business was approximately HK\$73,980,000 (2018 interim: HK\$267,488,000). Among the mix of the turnover during the period, the raw coal washing business accounted for approximately 88% of the revenue, and the raw coal processing business accounted for approximately 12%.

Up to the date of the interim report (29 August 2019), the Group has received part of the shortfall of the guaranteed profit of approximately RMB3,000,000 for the year 2018. The Group anticipates that the remaining balance will be received before the end of 2019. The remaining balance of the shortfall of the guaranteed profit RMB5,050,000 for the year 2017 has been fully settled during the period.

Others

At the end of 2016, the Group set up a wholly-owned subsidiary, Shaanxi Zhao Yin Finance Leasing Company Limited (“Zhao Yin Finance Leasing”) in Shaanxi Province. The major purpose of the establishment of this finance leasing company is to strengthen the Group’s bank-enterprise relations so as to create cooperation channels; as well as to seek for the suitable financing channels and sources for the Group’s upcoming possible mergers and acquisitions (“M&A”) and development. Further it also provides short-term investment opportunities for the Group’s capital. During the year, the business recorded a gross income of approximately HK\$1,908,000 (2018 interim: HK\$3,155,000).

Capital Expenditure

During the period ended 30 June 2019, there is no significant capital expenditure incurred for exploitation work performed in respect of the Group’s oil and gas projects.

位於山西省的原煤洗選項目

本集團擁有一間位於山西省沁水盆地之原煤洗選項目公司之75%權益。去年，為減低業務單一業務模式的風險，項目團隊爭取開拓直接加工業務。此發展對營業額之計算有所影響，以致營業額出現下降情況，但實際利潤則保持平穩。期內，原煤洗選業務收入約73,980,000港元（2018年中期：267,488,000港元）。期內營業額結構中，原煤洗選業務約佔88%，原煤加工業務約佔12%。

截至本中期報告日（2019年8月29日），本集團已收取部份2018年度利潤保證之差額約人民幣300萬元。集團預期餘額將於下半年陸續收到。2017年度利潤保證之差額餘額人民幣505萬元已於期內全數償付。

其他

2016年底本集團於陝西成立了一家全資附屬公司陝西兆銀融資租賃有限公司（「兆銀融資」）。成立此融資租賃公司之主要目的為加強集團與銀企關係，創建合作渠道，尋求合適的融資途徑及來源以及配合集團未來可能項目併購及發展，同時亦為集團部份資金作短期的投資。期內，該業務錄得淨收入約1,908,000港元（2018中期：3,155,000港元）。

資本支出

於2019年6月30日期內，本集團的油氣項目並沒有重大開發工程的資本支出。

Management Discussion and Analysis

Possible Acquisition

Oilfield in Alberta, Canada

With the purpose of further enriching the Group's resources reserves, apart from actively seeking suitable oil and gas blocks in China, the Group is also exploring investment opportunities in overseas upstream businesses. The Group hence entered into two non-legally-binding memorandums of understanding ("MOUs") in June and September 2014. The acquisition targets are oil and gas fields located in Alberta Province, Canada. The Company expects that overseas acquisition activities can expand the Group's business portfolio of natural gas and oil which will contribute profit and cash flow.

Gas Pipeline Project in Guizhou

To explore new business opportunities, the Group, entered into the non-legally binding memorandums of understanding ("MOU") with Chongqing Shengyan Energy Company Limited ("the Vendor") in relation to a possible acquisition in June 2019. The Vendor is principally engaged in comprehensive utilisation, research and development and production of urban natural gas. Pursuant to the MOU, it is proposed that the Group will acquire 51% of the equity interests of the target companies from the Vendor. The target companies are located in Zunyi City, Guizhou or Xin County, Henan and are principally engaged in investment, construction and operation of urban gas pipeline infrastructure facilities. Currently the Group is performing due diligence on the target companies.

Financial Review

Liquidity and Financial Resources

As at 30 June 2019, the net assets of the Group were approximately HK\$2,876,000,000 (31 December 2018: HK\$3,009,000,000) while its total assets were approximately HK\$4,974,000,000 (31 December 2018: HK\$4,963,000,000). As at 30 June 2019, the Group had external borrowings including the liability component of convertible notes of approximately HK\$1,628,570,000 (31 December 2018: HK\$1,595,000,000), and the gearing ratio based on total assets was approximately 32.74% (31 December 2018: 32.14%). By the end of June 2019, the current ratio was approximately 0.34 (31 December 2018: 0.35). Details of the Group's pledge of assets and the maturity profile of the Group's borrowings are set out in notes 16 and 17 to the financial statements.

In June 2019, the Company planned to issue a total of 665,000,000 new shares to an independent investor. The net proceeds from the subscription of approximately HK\$66,000,000, of which approximately 90% will be used for the repayment of outstanding loans of the Group, and the remaining balance will be used as working capital of the Group. The expected completion date will be 6 September 2019.

潛在的收購項目

位於加拿大阿爾伯特省的油田區塊

為進一步充實集團的資源儲備，除在國內尋求合適油氣區塊外，集團亦積極拓展海外上游業務，物色優質投資機會。集團於2014年6月及9月訂立兩份不具法律約束力之諒解備忘錄（「該等備忘錄」）。收購目標為位於加拿大阿爾伯特省之油氣田。公司預期進行海外收購活動將可一方面擴大本集團的天然氣和石油的業務組合，帶來盈利及現金流貢獻。

位於貴州的燃氣管道項目

為探索新的業務機遇，本集團於2019年6月與重慶盛焰能源股份有限公司（「重慶盛焰」或「賣方」）就可能收購事項訂立不具法律約束力之備忘錄（「該備忘錄」）。重慶盛焰是一家致力於城市天然氣綜合利用、研發及生產的企業。根據該備忘錄，本集團擬將自賣方收購該等目標公司之51%股權。該等目標公司位於貴州遵義市及河南新縣，主要從事投資、建設及經營城市燃氣管道基礎設施。目前，本集團正對該等目標公司進行盡職調查。

財務回顧

流動資金及財政資源

於2019年6月30日，本集團的資產淨值約為2,876,000,000港元（2018年12月31日：3,009,000,000港元），總資產值則約為4,974,000,000港元（2018年12月31日：4,963,000,000港元）。於2019年6月30日，本集團的總借貸包括可換股票據之負債部分約為1,628,570,000港元（2018年12月31日：1,595,000,000港元），負債比例按資產總值計算約為32.74%（2018年12月31日：32.14%）。而於2019年6月底的流動比率約為0.34（2018年12月31日：約0.35）。有關本集團已抵押資產及借貸償還期限的詳情載於財務報表附註16及17。

於2019年6月，本公司擬向一名獨立投資人發行合共665,000,000股，認購之所得款項淨額約為66,000,000港元，其中約90%擬用作償還若干本集團之財務承擔及餘額將用作為本集團之營運資金。雙方協定預計完成日期為2019年9月6日。

In respect of the issue of the Group's net current liabilities position as at 30 June 2019, the convertible notes with a principal amount of HK\$1,014 million to fall due in September 2019, is posing a relatively great financial pressure to the Group. The management has actively engaged in the discussion of the above issue with the holder of the convertible notes. Although no binding plans or terms have been reached, both parties have conducted in-depth discussion on several feasible options. The options include but are not limited to, (i) exploring the possibilities with the convertible notes holder to amend terms of the convertible notes so as to extend its maturity; (ii) negotiating with potential investors who are interested in acquiring the convertible notes. Management expects both sides may reach consensus in September 2019.

Riding on the growing business of the Group and the support of the above measures, it is expected that the Group's financial pressure will gradually be eased and the overall financial position will improve.

Foreign Exchange Fluctuations

The Group is exposed to currency risk primarily through sales and purchase transactions and recognized liabilities and assets that are denominated in a currency other than the functional currency of the operations to which they relate. As at 30 June 2019, no related hedges were made by the Group. In respect to trade and other receivables and payables held in currencies other than the functional currency of the operations to which they relate, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

Employees and Remuneration Policies

As at 30 June 2019, the Group employed approximately 310 employees. The remuneration policy of the Group is based on the prevailing remuneration level in the market and the performance of respective companies and individual employees.

就截至2019年6月30日出現流動負債淨值的問題，當中以2019年9月到期，本金為1,014,000,000港元之可換股票據構成的財務壓力較大。管理層現積極與可換股票據持有人就有關問題進行磋商，雖然尚未達成任何具約束力的方案或條款，但已就數個可行方案進行深入討論，包括但不限於，(i)與可換股票據持有人探討修訂可換股票據條款以延長其到期日；(ii)與潛在投資者討論從可換股票據持有人收購可換股票據，管理層期望雙方可於2019年9月取得共識。

憑藉集團業務日趨增長，以及上述方案的支持下，預期集團財務壓力將得以逐步舒緩，整體財政狀況會持續改善。

外匯波動

本集團承受之貨幣風險主要源自以有關業務之功能貨幣以外之貨幣計值之買賣交易及已確認資產和負債。於2019年6月30日，本集團並無作出相關對沖。就以有關業務之功能貨幣以外之貨幣持有之應收款項及應付款項，本集團在必要時按即期匯率買賣外匯以解決短期不均衡，以此確保風險處於可接受水準。

僱員薪酬政策

於2019年6月30日，本集團的僱員約有310人。本集團之薪酬政策主要按現行市場薪酬水準及各有關公司及個別僱員之表現釐訂。

Management Discussion and Analysis

PROSPECTS

Though China's economy is facing various challenges, the State keeps promoting air pollution prevention and control, and strengthening coal-to-gas conversion in residential, heating, and industrial industries in key areas. According to the NDRC, natural gas sales in the first half of 2019 increased by 10.8% year-on-year, indicating that the national natural gas consumption grows continuously.

In June 2019, the Ministry of Finance issued the “Interim Measures for the Administration of Special Funds for the Development of Renewable Energy” to encourage the development of unconventional natural gas in China. From 2019, subsidies will not be subsidized according to the fixed subsidy standard of RMB0.3/m³, rather in accordance with the incentive principle of “The More Increase in Production, The More Subsidies Granted”. For those who have exceeded the exploitation and utilization of the previous year, they shall be given incremental subsidies according to the excess level. For those that have not reached the exploitation and utilization of the previous year, the subsidy fund shall be deducted accordingly. At the same time, the special subsidy fund also reflects the principle of “The More Increase in Production in Winter, The More Subsidies Granted”, to provide more subsidies for the unconventional natural gas incrementally produced during the heating season. With the strong support of the state, unconventional oil and gas, including CBM, is expected to be an important factor for the steady implementation of the “Blue Sky Defense War Action Plan” and the plan of coal-to-gas.

Looking ahead, on the one hand the Group will put into its greatest effort to release the financial burden of short term funding as soon as possible, and on the other hand the Group will allocate its resources to speed up the development of the Sanjiao CBM Project. We will formulate a concrete plan to increase productivity of the CBM so as to support a steady growth of the operation, which will be a solid foundation for the Group's expansion of its business and sustain a long-term and healthy development. Riding on this foundation, the Group will assess the possibility of diversified business development in a prudent and pragmatic manner, and hope to enhance the sustainability and stability of the business returns and business risk. At the same time, the Group in long run, can maintain the momentum of growth, and generate substantial returns for shareholders.

前景

雖然中國經濟近期正面臨不同的挑戰，但國家依然持續推進大氣污染防治工作，強化重點地區的民用、採暖、工業等行業煤改氣。國家發改委指，2019年上半年天然氣銷量同比增10.8%，顯示全國天然氣消費量持續增長。

2019年6月，國家財政部發佈《可再生能源發展專項資金管理暫行辦法》鼓勵國內非常規天然氣開發，自2019年起，不再按0.3元／立方米的定額補貼標準進行補貼，而是按照「多增多補」的原則，對超過上年開採利用量的，按照超額程度給予梯級獎補，對未達上年開採利用量的，則相應扣減獎補資金。同時，專項資金補貼還體現「冬增冬補」的原則，對取暖季節生產的非常規天然氣增量部分給予更多資助。在國家的大力支持下，非常規油氣包括煤層氣，預計將繼續成為國內穩步推進「藍天保衛戰行動」計劃、推進煤改氣的重要支撐因素。

展望未來，集團已一方面積極處理短期內面對的財務壓力，同時會繼續集中資源推動三交煤層氣項目的建設發展，制定明確的計劃，提升產能，以持續平穩增長，為集團開拓業務版圖以及長期健康發展鋪墊穩固的基石。在此基石上，集團將以審慎務實的態度評估多元化業務發展之可行性，冀望平衡業務組合回報的穩定性，分散業務風險同時維持長遠的增長動力，為股東締造豐厚的回報。

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2019, the interests and short positions of the directors (the "Directors") or chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

董事於股份及相關股份中權益

於2019年6月30日，本公司董事（「董事」）或行政總裁於本公司或其任何相聯法團（具有證券及期貨條例（「證券及期貨條例」）第XV部所賦予之涵義）之股份及相關股份中擁有誠如本公司根據證券及期貨條例第352條存置之登記冊所載或根據聯交所證券上市規則（「上市規則」）附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）而須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉如下：

Name of Director	Long/short position	Interests in shares/ underlying shares	Nature of interest	Number of shares/ underlying shares of the Company held	Percentage of issued shares
董事姓名	好倉／淡倉	於股份及相關 股份中權益	權益性質	所持本公司股份／ 相關股份數目	佔已發行 股份百分比
Dai Xiaobing	Long position	Shares	Beneficial owner/Interest of controlled corporation	158,504,000	4.74%
戴小兵	好倉	股份	實益擁有人／受控制公司權益		
	Short position	Shares	Beneficial owner/Interest of controlled corporation	137,524,500	4.11%
	淡倉	股份	實益擁有人／受控制公司權益		
	Long position	Underlying shares	Interest of controlled corporation	6,012,500,000	179.72%
	好倉	相關股份	受控制公司權益		
	Long position	Share options	Beneficial owner (Note 2)	3,600,000	0.11%
	好倉	購股權	實益擁有人（附註2）		
King Hap Lee	Long position	Shares	Beneficial owner	10,000,000	0.30%
景哈利	好倉	股份	實益擁有人		
	Long position	Share options	Beneficial owner	3,600,000	0.11%
	好倉	購股權	實益擁有人		
Wan Tze Fan Terence	Long position	Shares	Beneficial owner	3,366,000	0.10%
溫子勳	好倉	股份	實益擁有人		
	Long position	Share options	Beneficial owner	3,600,000	0.11%
	好倉	購股權	實益擁有人		

Other Information

Name of Director	Long/short position	Interests in shares/ underlying shares 於股份及相關 股份中權益	Nature of interest	Number of shares/ underlying shares of the Company held 所持本公司股份/ 相關股份數目	Percentage of issued shares 佔已發行 股份百分比
董事姓名	好倉／淡倉		權益性質		
Chen Hua	Long position	Underlying shares	Interest of controlled corporation (Note 3)	76,897,179	2.30%
陳華	好倉	相關股份	受控制公司權益(附註3)		
Wong Lung Tak Patrick 黃龍德	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	300,000	0.01%
Wang Yanbin 王延斌	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	300,000	0.01%

Notes:

附註：

(1) Particulars of directors' interests in the share options of the Company are set out in the section "Share Option Scheme".

(1) 董事於本公司購股權的權益詳情載於「購股權計劃」一節。

(2) Sino Oil and Gas Resources Investments Limited ("SOGRI") owns 85,119,500 shares and has short position of 70,800,000 shares. SOGRI is wholly owned by Dr. Dai Xiaobing. Pursuant to the SFO, Dr. Dai is taken to have interests and short position in such shares. In addition, Dr. Dai beneficially owns 73,384,500 shares and has short position of 66,724,500 shares.

(2) 中國油氣資源投資有限公司(「SOGRI」)持有85,119,500股股份的權益及70,800,000股股份的淡倉。SOGRI由戴小兵博士全資擁有。根據證券及期貨條例，戴博士被視為於該等股份中擁有權益及淡倉。此外，戴博士實益擁有73,384,500股股份及持有66,724,500股股份的淡倉。

Unless the context requires otherwise, capitalized terms used in this paragraph shall have the same meanings as defined in the announcement issued by the Company on 31 May 2016. On 31 May 2016, the Company entered into the Subscription Agreement with Crescent Spring Investment Holdings Limited (the “Bondholder”) pursuant to which the Company issued to the Bondholder the Convertible Bonds in the aggregate principal amount of US\$130,000,000 due 2019 on 29 September 2016, and Sino Oil and Gas Resources Limited (“SOGGR”), a company wholly owned by Dr. Dai Xiaobing, entered into a Put and Call Option Deed with the Bondholder pursuant to which the Bondholder grants to SOGR an irrevocable and unconditional right (but without obligation) to purchase some or all of the Convertible Bonds at the Call Option Purchase Price during the Call Option Period, and SOGR grants to the Bondholder an irrevocable and unconditional right (but without obligation) to require SOGR to purchase some or all of the Convertible Bonds at the Put Option Purchase Price during the Put Option Period. Based on the conversion price of HK\$0.168 per share, a maximum of 6,012,500,000 shares may be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds in full. Further details are set out in the announcements and circular issued by the Company on 31 May 2016, 30 September 2016 and 12 July 2016 respectively. Pursuant to the SFO, the Convertible Bonds give rise to an interest in 6,012,500,000 underlying shares of the Bondholder and the Put and Call Option Deed gives rise to an interest in 6,012,500,000 underlying shares of the Company of SOGR and Dr. Dai Xiaobing and short position of 6,012,500,000 underlying shares of the Bondholder.

- (3) 76,897,179 underlying shares are owned by 天津京基酒店有限公司, a wholly owned subsidiary of 京基集團有限公司 which is owned as to 90% by Mr. Chen Hua. Pursuant to the SFO, Mr. Chen is taken to be interested in such underlying shares.

Save as disclosed above, as at 30 June 2019, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除文義另有所指外，本段中所採用之詞彙與本公司於2016年5月31日刊發之公佈所界定者具有相同涵義。於2016年5月31日，本公司與Crescent Spring Investment Holdings Limited（「債券持有人」）訂立認購協議，據此，本公司於2016年9月29日發行本金總額 130,000,000 美元於2019年到期之可換股債券予債券持有人；以及由戴小兵博士全資擁有的中國油氣資源有限公司（「SOGGR」），與債券持有人訂立認沽及認購期權契據，據此，債券持有人授予SOGGR一項不可撤回及無條件權利（但並無責任），可於認購期權期間內按認購期權購買價購入部份或全部可換股債券，而SOGGR授予債券持有人一項不可撤回及無條件權利（但並無責任），可要求SOGGR於認沽期權期間內按認沽期權購買價購入部份或全部可換股債券。根據換股價每股0.168港元，於悉數行使可換股債券所附之換股權後將予配發及發行最多6,012,500,000股股份，有關詳情載於本公司於2016年5月31日及2016年9月30日發出之公佈及2016年7月12日發出之通函。根據證券及期貨條例，債券持有人按照可換股債券持有本公司6,012,500,000股相關股份權益，而SOGGR及戴小兵博士按照認沽及認購期權契據持有6,012,500,000股相關股份權益及債券持有人按照認沽及認購期權契據持有6,012,500,000股相關股份之淡倉。

- (3) 76,897,179相關股份由天津京基酒店有限公司持有，其為京基集團有限公司的全資附屬公司，後者由陳華先生擁有90%權益，根據證券及期貨條例，陳先生被視為於該等相關股份中擁有權益。

除上文所披露者外，於2019年6月30日，概無本公司董事及行政總裁於本公司或其相聯法團（具有證券及期貨條例第XV部所賦予之涵義）之股份、相關股份及債券中擁有根據證券及期貨條例第352條須載錄於登記冊之任何權益或淡倉，或擁有根據標準守則須知會本公司及聯交所之任何權益或淡倉。

Other Information

SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted by the shareholders of the Company at the Annual General Meeting held in 2010. The Scheme is in full compliance with the relevant requirements of Chapter 17 of the Listing Rules.

As at 30 June 2019, the Directors and employees of the Group had the following personal interests in options to subscribe for shares of the Company granted at nominal consideration under the Scheme. Each option gives the holder the right to subscribe for one share. Details of share options held by the Directors and employees of the Group and movements (if any) in such holdings during the period are as follows:

	Number of options 購股權數目		Date of grant (D.M.Y)	Exercise period (D.M.Y)	Exercise price per share HK\$ 每股股份之 行使價 港元
	Outstanding at 1 January 2019 於2019年1月1日 尚未行使	Outstanding at 30 June 2019 於2019年6月30日 尚未行使			
Directors 董事					
Dai Xiaobing 戴小兵	3,600,000	3,600,000	06.12.2011	06.12.2011-05.12.2021	2.76
King Hap Lee 景哈利	3,600,000	3,600,000	06.12.2011	06.12.2011-05.12.2021	2.76
Wan Tze Fan Terence 溫子勳	3,600,000	3,600,000	06.12.2011	06.12.2011-05.12.2021	2.76
Wong Lung Tak Patrick 黃龍德	300,000	300,000	06.12.2011	06.12.2011-05.12.2021	2.76
Wang Yanbin 王延斌	300,000	300,000	06.12.2011	06.12.2011-05.12.2021	2.76
Employees 僱員	29,800,000	29,800,000	06.12.2011	06.12.2011-05.12.2021	2.76
Total 合計	41,200,000	41,200,000			

Note: No option lapsed or was granted or exercised during the period.

購股權計劃

本公司的購股權計劃(「計劃」)乃於2010年舉行的股東週年大會上經股東採納。計劃完全符合上市規則第十七章之有關規定。

於2019年6月30日，董事及本集團僱員於根據計劃以名義代價授出可認購本公司股份之購股權中擁有以下之個人權益。每份購股權賦予持有人認購一股股份之權利。董事及本集團僱員於期內所持購股權及其變動詳情(如有)載於下表：

附註： 於期內並無購股權失效或獲授出或行使。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

As at 30 June 2019, the following persons, not being a Director or chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, the details of which are set out below:

主要股東及其他人士之權益

於2019年6月30日，根據證券及期貨條例第336條存置之登記冊所載錄，以下人士（並非本公司董事或行政總裁）於本公司之股份及相關股份中擁有權益及淡倉如下：

Name	Long/short position	Interests in shares/ underlying shares	Nature of interest	Number of shares/ underlying shares held	Percentage of issued shares
名稱	好倉／淡倉	於股份及 相關股份權益	權益性質	所持股份／ 相關股份數目	佔已發行 股份百分比
Substantial Shareholders					
主要股東					
Bright Achieve Investments Limited (Note 1)	Long position	Shares	Beneficial owner	719,763,500	21.51%
亮達投資有限公司 (附註1)	好倉	股份	實益擁有人		
Lai Chun Lam 賴俊霖	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	398,000,000	11.90%
Zhang Victor Ri Chun 張日春	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	398,000,000	11.90%

Other Information

Name	Long/short position	Interests in shares/ underlying shares 於股份及 相關股份權益	Nature of interest 權益性質	Number of shares/ underlying shares held 所持股份/ 相關股份數目	Percentage of issued shares 佔已發行 股份百分比
名稱	好倉／淡倉				
Other persons					
其他人士					
Wong Chun Chau 黃振宙	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	278,780,000	8.33%
Zhuo Kun 卓坤	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	278,780,000	8.33%
Crescent Spring Investment Holdings Limited (Note 2)	Long position	Underlying shares	Beneficial owner	6,012,500,000	179.72%
Crescent Spring Investment Holdings Limited (附註2)	好倉	相關股份	實益擁有人		
	Short position 淡倉	Underlying shares 相關股份	Beneficial owner 實益擁有人	6,012,500,000	179.72%
	Long position 好倉	Shares 股份	Security interest 保證權益	137,524,500	4.11%
Sino Oil and Gas Resources Limited (Note 2)	Long position	Underlying shares	Beneficial owner	6,012,500,000	179.72%
中國油氣資源 有限公司(附註2)	好倉	相關股份	實益擁有人		

其他資料

Notes:

- (1) Bright Achieve Investments Limited is wholly and beneficially owned by Mr. Chen Jiajun, being the son of Mr. Chen Hua, a non-executive Director of the Company.
- (2) Crescent Spring Investment Holdings Limited (“Crescent”) owns convertible bonds in the principal amount of US\$130,000,000 due 2019 carrying the right to convert into shares of the Company at a conversion price of HK\$0.168 per share. Based on the conversion price of HK\$0.168 per share, a maximum of 6,012,500,000 shares may be allotted and issued upon exercise of the conversion rights attaching to the convertible bonds in full. The convertible bonds give rise to an interest in 6,012,500,000 underlying shares of Crescent.

Unless the context requires otherwise, capitalized terms used in this paragraph shall have the same meanings as defined in the Company’s announcement dated 31 May 2016. Pursuant to the Put and Call Option Deed entered into between Crescent and Sino Oil and Gas Resources Limited (“SOGR”), a company wholly owned by Dr. Dai Xiaobing, Crescent grants to SOGR an irrevocable and unconditional right (but without obligation) to purchase some or all of the Convertible Bonds at the Call Option Purchase Price during the Call Option Period, and SOGR grants to Crescent an irrevocable and unconditional right (without obligation) to require SOGR to purchase some or all of the Convertible Bonds at the Put Option Purchase Price during the Put Option Period. The Put and Call Option Deed gives rise to an interest in 6,012,500,000 underlying shares of each of SOGR and Dr. Dai Xiaobing, and short position of 6,012,500,000 underlying shares of Crescent.

附註：

- (1) 亮達投資有限公司由陳家俊先生（為本公司非執行董事陳華先生的兒子）全資及實益擁有。
- (2) Crescent Spring Investment Holdings Limited (「Crescent」) 持有本公司本金總額為130,000,000美元於2019年到期之可換股債券，有權以換股價每股0.168港元兌換為本公司的股份。根據換股價每股0.168港元，於悉數行使可換股債券所附之換股權後將予配發及發行最多6,012,500,000股股份。根據可換股債券，Crescent持有本公司6,012,500,000股相關股份權益。

除文義另有所指外，本段落所採用之詞彙與本公司於2016年5月31日刊發之公佈所界定者具有相同涵義。根據Crescent與由戴小兵博士全資擁有的中國油氣資源有限公司（「SOGR」）訂立的認沽及認購期權契據，Crescent授予SOGR一項不可撤回及無條件權利（但並無責任），可於認購期權期間內按認購期權購買價購入部份或全部可換股債券，而SOGR 授予Crescent一項不可撤回及無條件權利（但並無責任），可要求 SOGR 於認沽期權期間內按認沽期權購買價購入部份或全部可換股債券。按照認沽及認購期權契據，SOGR及戴小兵博士持有本公司6,012,500,000股相關股份權益及Crescent持有6,012,500,000股相關股份之淡倉。

Other Information

Crescent also holds security interest in 137,524,500 shares of the Company.

Crescent is a wholly-owned subsidiary of China Huarong International Holdings Limited (中國華融國際控股有限公司) which in turn is owned as to 88.1% by Huarong Real Estate Co., Ltd. (華融置業有限責任公司) (“Huarong Real Estate”) and 11.9% by Huarong Zhiyuan Investment & Management Co., Ltd. (華融致遠投資管理有限責任公司) (“Huarong Zhiyuan”). Both Huarong Real Estate and Huarong Zhiyuan are wholly owned by China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司) which is in turn owned as to 77.49% by Ministry of Finance of the People’s Republic of China (中華人民共和國財政部). Pursuant to the SFO, China Huarong International Holdings Limited, Huarong Real Estate, China Huarong Asset Management Co., Ltd. and Ministry of Finance of the People’s Republic of China are deemed to have the aforesaid interests and short position held by Crescent.

Saved as disclosed above in this section, as at 30 June 2019, the Company has not been notified of any other persons (other than the Directors or chief executive of the Company) who had any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the six months ended 30 June 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

Crescent亦持有本公司137,524,500股股份保證權益。

Crescent是中國華融國際控股有限公司的全資附屬公司，華融置業有限責任公司(「華融置業」)及華融致遠投資管理有限責任公司(「華融致遠」)分別持有中國華融國際控股有限公司的88.1%權益及11.9%權益。華融置業及華融致遠均由中國華融資產管理股份有限公司全資擁有，後者則由中華人民共和國財政部持有77.49%權益。根據證券及期貨條例，中國華融國際控股有限公司、華融置業、中國華融資產管理股份有限公司及中華人民共和國財政部也被視為持有上述Crescent的權益及淡倉。

除上文所披露者外，於2019年6月30日，本公司並無接獲任何其他人士(不包括本公司之董事或行政總裁)通知指彼等擁有根據證券及期貨條例第336條須記錄於登記冊的本公司股份或相關股份的任何權益或淡倉。

購買、贖回或出售上市證券

於截至2019年6月30日止六個月，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

AUDIT COMMITTEE

The Audit Committee, which comprises Professor Wong Lung Tak Patrick, Dr. Wang Yanbin and Dr. Dang Weihua, has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including the review of the unaudited interim report of the Company for the six months ended 30 June 2019.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Corporate Governance Code (“CG Code”) contained in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2019 except for code provisions E.1.2 and A.5.1 with details set out below:

Code provision E.1.2 requires the chairman of the board to attend the annual general meeting. Dr. Dai Xiaobing, chairman of the Board, was unable to attend the annual general meeting of the Company held on 31 May 2019 due to other business engagement. The annual general meeting was chaired and conducted by Mr. Wan Tze Fan Terence, an executive director of the Company.

On 31 December 2018, Mr. Wong Kwok Chuen Peter (“Mr. Wong”) resigned as independent non-executive director, member of Audit Committee, Remuneration Committee and Nomination Committee. Upon the resignation of Mr. Wong, the Company had yet to meet the following requirements of the Listing Rules of having independent non-executive directors representing at least one-third of the Board under Rule 3.10A; the Audit Committee comprising a minimum of three members under Rule 3.21; and the Remuneration Committee and Nomination Committee comprising a majority of independent non-executive directors under Rule 3.25 and code provision A.5.1 of the CG Code respectively.

審核委員會

由黃龍德教授、王延斌博士及黨偉華博士組成的審核委員會與管理層已檢討本集團採納的會計原則及常規，並已商討有關審核、內部監控及財務申報的事宜，包括審閱本公司截至2019年6月30日止六個月之未經審核中期報告。

企業管治

本公司於截至2019年6月30日止六個月期間已遵守上市規則附錄十四所載的《企業管治守則》(「企業管治守則」)的全部守則條文，唯守則條文第E.1.2及A.5.1條除外，其詳情如下：

守則條文第E.1.2條規定，董事會主席應出席股東週年大會。戴小兵博士因處理公司業務未能出席本公司於2019年5月31日舉行之股東週年大會。股東週年大會由本公司執行董事溫子勳先生主持及進行相關議程。

於2018年12月31日，黃國全先生(「黃先生」)辭任本公司之獨立非執行董事及審核委員會、薪酬委員會和提名委員會之成員。於黃先生辭任後，本公司尚未符合以下上市規則之規定，包括第3.10A條有關獨立非執行董事必須佔董事會成員人數至少三分之一的規定；第3.21條有關審核委員會最少由三名成員組成；以及第3.25條及企業管治守則的守則條文第A.5.1條分別有關薪酬委員會及提名委員會大部分成員須為獨立非執行董事組成。

Other Information

On 29 March 2019, Dr. Dang Weihua, an independent non-executive director of the Company, was appointed as member of Audit Committee, Remuneration Committee and Nomination Committee and on 30 March 2019, Mr. He Lin Feng resigned as non-executive director of the Company. Since then, the Company has fully complied with all the requirements set out under the Listing Rules as mentioned above.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the Company's code of conduct and rules to govern transactions by all directors in the securities of the Company. All directors have complied with the required standard regarding directors' securities dealings set out in the Model Code during the six months ended 30 June 2019.

By Order of the Board

Dai Xiaobing
Chairman

Hong Kong, 29 August 2019

於2019年3月29日，本公司獨立非執行董事黨偉華博士獲委任為審核委員會、薪酬委員會和提名委員會之成員，以及於2019年3月30日，何林峰先生辭任本公司非執行董事之職位。自此，本公司已全面遵守上述上市規則所載之所有規定。

董事進行證券交易的標準守則

本公司採納上市規則附錄十所載的標準守則，作為本公司的操守準則及所有董事買賣本公司證券規則。截至2019年6月30日止六個月，全體董事均已遵守標準守則所載有關董事買賣證券所規定的準則。

承董事會命
主席
戴小兵

香港，2019年8月29日



中國油氣控股有限公司
SINO OIL AND GAS HOLDINGS LIMITED